

Grade Reduction Targets

1. (A/IUO) OMB Bulletin No. 77-11 (dated June 28, 1977, Subject: Controlling Grade Escalation in the General Schedule) required each Agency to establish grade reduction targets for selected occupational series (e.g., those where the Agency average grade is markedly higher than the Government-wide average, or where the Agency average grade has increased significantly over the past three years). The Bulletin required that grade reduction targets, to be met during the next three fiscal years (i.e., FY 1978 through FY 1980), be submitted to OMB with our FY 1979 Budget. The list of Agency targets identified for this purpose is attached (included as page VIII-1 of the FY 1979 Budget Estimates submitted to OMB on 15 September 1977).

2. (A/IUO) The Agency grade reduction targets were selected following a limited analysis by OP's Position Management and Compensation Division of those occupational series in the Agency containing 50 or more positions. This covers about 85% of all Agency positions.

3. (C) PMCD's analysis included, for each occupational series, an examination of the change in the number of positions over the past three years, the annual cost impact, the percentage change in Agency position average grade, and the relationship of Agency position average grade to the Government-wide average grade. Comparisons were made between the current Agency average grade and that of 1973, and with similar Government-wide data.

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4. (A/IUO) The Director of Personnel would appear to be the logical officer to be charged with the responsibility for the Agency's grade reduction effort, but must be provided the corresponding authorities and personnel assets necessary to ensure that the grade reduction targets are met. The authorities should enable the Director of Personnel to establish and apply position classification criteria where it does not exist or is not current; develop methods and milestones for monitoring all proposed actions affecting these targets; and adjust immediately position grades when classification reviews show them to be overgraded or as having an escalation affect on the targets. Semi-annual reports, to be submitted as of 1 March and 1 October, should be prepared by the Director of Personnel to include changes in the position average grades of the occupational series involved, the causes for these changes, the status of progress toward the reduction targets, and any other comments on, or problems with, progression toward the goals including any recommendations that they be readjusted.